

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**A COMPONENT UNIT OF THE
POINTE COUPEE PARISH POLICE JURY**

**ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2007**

**MAJOR, MORRISON & DAVID
Certified Public Accountants
PO Box 190
New Roads, LA 70760**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/18/08

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007**

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MAJOR, MORRISON & DAVID
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

To the Board of Control
Pointe Coupee Parish Library
New Roads, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Pointe Coupee Parish Library, New Roads, Louisiana, a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2007, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Pointe Coupee Parish Library. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Pointe Coupee Parish Library, New Roads, Louisiana, as of December 31, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2008, on our consideration of the Pointe Coupee Parish Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 6, and budgetary comparison information on pages 24 and 25, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The accompanying supplemental information schedules and other information as listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Pointe Coupee Parish Library. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Major, Morrison & David

Major, Morrison & David
New Roads, Louisiana
May 23, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2007**

The Management's Discussion and Analysis (MD&A) of the Pointe Coupees Parish Library (Library) provides an overview and overall review of the Library's financial activities for the fiscal year ended December 31, 2007. The intent of the MD&A is to look at the Library's financial performance as a whole. It should, therefore, be read in conjunction with the Library's financial statements found in the financial section starting on page 7, and the notes thereto. MD&A is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments* issued June 1999.

FINANCIAL HIGHLIGHTS

- The Library's total net assets increased by \$51,873 over the course of this year's operations.
- During the year, the Library's expenses were \$1,132,671 more than the \$41,710 generated in charges for services and operating grants for governmental programs.
- The total cost of the Library's programs was \$1,174,381 an increase of approximately \$138,372 or 13.36 percent.
- Total revenues including general revenues increased by \$63,996 or 5.5 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplemental information. The basic financial statements include two kinds of statements that present different views of the Library:

- The first two statements on pages 7 and 8 are government-wide financial statements that provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances.
- The remaining statements starting on page 9 are fund financial statements that focus on individual parts of the Library's government, reporting the Library's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services, such as library services, were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide additional detailed data. The notes are followed by a section of required supplementary information that further explains and supports the information in the financial statements as well as providing budgetary comparison data. The last section of the report contains additional supplemental information regarding the governmental fund-general fund. The rest of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

Government-wide Statements

The government-wide statements report information about the Library as a whole using the accrual basis of accounting, which is similar to that which is used by private sector companies. The statement of net assets on page 7 includes all of the Library's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities on page 8, regardless of when cash is received or paid.

These two statements report the Library's net assets and changes in them. Net assets – the difference between the Library's assets and liabilities- are one way to measure the Library's financial health, or financial position. Over time, increases and decreases in the Library's net assets are one indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors will also need to be considered to assess the overall health of the Library.

The government-wide financial statements of the Library reports only one type of activity – governmental activities. All of the Library's basic services are included here, such as library services and general administration.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2007**

Fund Financial Statements

The fund financial statements, beginning on page 9, provide more detail about the Library's most significant funds – not the Library as a whole. State laws require the establishment of some funds. Funds are accounting devices that the Library uses to keep track of specific sources of funding and spending for particular purposes.

The Library uses only the governmental type of fund with the following accounting approach. Most of the Library's basic services are included in governmental funds, which focus on how cash and other financial assets that can be readily converted to cash, flow in and out of those funds, and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements therefore provide a detailed short-term view of the Library's general government operations and the basic services it provides, and helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library's programs. Since this information does not include the additional long-term focus of government-wide statements, we provide reconciliations on the subsequent pages that explain the relationship (or differences) between the two different type statements.

FINANCIAL ANALYSIS OF THE LIBRARY AS A WHOLE

Net assets. The Library's combined net assets changed only slightly between fiscal years 2006 and 2007, increasing by \$51,873 to approximately \$3.74 million. (See Table 1 below)

**Table 1
Library's Net Assets**

	Governmental Activities 2006	Governmental Activities 2007
Current and other assets	\$ 2,127,533	\$ 2,166,113
Capital assets	<u>1,641,204</u>	<u>1,667,488</u>
Total assets	\$ 3,768,737	\$ 3,833,601
Current liabilities	76,592	89,583
Noncurrent liabilities	<u>0</u>	<u>0</u>
Total liabilities	\$ 76,592	\$ 89,583
Net assets:		
Invested in capital assets, net of related debt	1,641,204	1,667,488
Unrestricted	<u>2,050,940</u>	<u>2,076,530</u>
Total net assets	\$ 3,692,145	\$ 3,744,018

Net assets of the Library's governmental activities increased by 1.4 percent to \$3.74 million.

Changes in net assets. The Library's total revenues increased by 5.5 percent to \$1,226,254 (See Table 2), due to an increase in property tax collections in the parish, state aide, and interest earnings. Approximately 90 percent of the Library's revenue comes from a general property tax assessed on the property owners in the parish.

The total cost of all programs and services remained relatively stable increasing approximately \$138,372 or 13.36 percent. The Library's expenses cover all services, which it offers to the public.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2007**

Governmental Activities

Revenues for the Library's governmental activities increased by 5.5 percent, while total expenses increased by 13.36 percent.

**Table 2
Changes in Library's Net Assets**

	Governmental Activities 2006	Governmental Activities 2007
Revenues		
Program Revenues		
Charges for services	\$ 8,286	\$ 8,313
State and local grants and donations	14,091	33,397
Other revenues	<u>1,139,881</u>	<u>1,184,544</u>
Total revenues	\$ 1,162,258	\$ 1,226,254
Expenses		
General government	<u>1,036,009</u>	<u>1,174,381</u>
Total expenses	\$ 1,036,009	\$ 1,174,381
Increase in net assets	\$ <u>126,249</u>	\$ <u>51,873</u>

**Table 3
Net Cost of Library's Governmental Activities**

	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>
Library Services	<u>\$ 1,174,381</u>	<u>\$ 1,132,671</u>

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

As the Library completed the year, its governmental funds reported a combined fund balance of \$2,076,530, reflecting an increase over the prior year of \$25,590. All of this fund balance is unrestricted and undesignated and therefore is available for spending. Revenues reflected an increase in property tax collections with average expense increases, but still under overall revenue generation, resulting in positive operations. The library has maintained a healthy fund balance and continues to operate within its budget restrictions.

General Fund Budgetary Highlights

During the year, the library operated well within its budget, but amended it in the expectation of incurring additional capital outlay costs and decreased tax revenues. Revenues received during the year were greater than expected due to higher tax collections and expenditures increased slightly along with the anticipated increase in capital outlay purchases.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2007**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the year, the Library had invested \$ 1,667,488 in capital assets. (See Table 4).

**Table 4
Library's Capital Assets
(net of accumulated depreciation)**

Governmental Activities 2007	
Land	\$ 62,553
Buildings and improvements	864,343
Vehicles	16,779
Furniture and equipment	108,016
Books and periodicals	514,227
E-Books	22,894
Recordings and cassettes	52,595
Filmstrips and videos	<u>26,081</u>
Total	<u>\$ 1,667,488</u>

Debt

At year-end, the Library had no debt outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Approximately 90 percent of the Library's revenues are derived from an ad valorem tax on the voters of the parish. The Pointe Coupee Parish Police Jury must approve the Library's millage rates for collection of the ad valorem taxes each year. The economy is not expected to generate any significant growth in assessment values. Neither library fees nor grant income is expected to increase; therefore, future revenues are expected to remain consistent with the current year. Staff levels are not expected to increase, although retirement costs and health costs have continued to rise. These increases will not be dramatic, as the director plans on offsetting the increases with reductions in other areas as well as an expected reduction in capital expenditures. The budget for the year 2008 should be comparable to the year's 2007 budget.

CONTACTING THE LIBRARY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our parishioners, taxpayers, customers, investors and creditors with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Melissa Hymel, Library Director, 201 Claiborne Street New Roads, Louisiana 70760.

BASIC FINANCIAL STATEMENTS

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

Statement of Net Assets

December 31, 2007

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 490,065
Investments	599,450
Accounts receivable	10,393
Taxes receivable	1,068,205
Land	62,553
Capital assets, net of depreciation	<u>1,804,935</u>
Total Assets	<u><u>3,833,601</u></u>
LIABILITIES	
Accounts payable and accrued expenses	<u>89,583</u>
Total Liabilities	<u><u>89,583</u></u>
NET ASSETS	
Invested in capital assets, net of related debt	1,667,488
Unrestricted (deficit)	<u>2,076,530</u>
Total net assets	<u><u>\$ 3,744,018</u></u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

Statement of Activities

For the Year Ended December 31, 2007

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government - Library services	\$ 1,174,381	\$ 8,313	\$ 33,397	\$ (1,132,671)
Total governmental activities:				<u>(1,132,671)</u>
General revenues:				
Property Taxes - levied for general purposes				1,103,389
State revenue sharing				35,469
Gain (Loss) on sale of assets				(1,069)
Unrestricted investment earnings				<u>48,755</u>
Total general revenues				<u>1,184,544</u>
Change in net assets				51,873
Net assets - beginning of the year				<u>3,692,145</u>
Net assets - end of the year				<u>\$ 3,744,018</u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GOVERNMENTAL FUNDS**

Balance Sheet, December 31, 2007

	GENERAL FUND	TOTALS (Memorandum Only) 2006
ASSETS		
Cash and cash equivalents	\$ 490,085	\$ 614,730
Investments	599,450	568,043
Receivables	1,076,598	946,760
	<hr/>	<hr/>
Total Assets	\$ 2,166,113	\$ 2,127,533
LIABILITIES & FUND BALANCE		
Liabilities:		
Accounts payable	\$ 43,226	\$ 27,071
Payroll deductions payable	89	3,872
Other Liabilities	46,268	45,660
	<hr/>	<hr/>
Total Liabilities	89,583	76,592
Fund Balances:		
Unreserved - undesignated	2,076,530	2,050,940
	<hr/>	<hr/>
Total Fund Balance	2,076,530	2,050,940
	<hr/>	<hr/>
TOTAL LIABILITIES & FUND BALANCE	\$ 2,166,113	\$ 2,127,533

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets**

For the Year Ended December 31, 2007

Total fund balance - governmental funds	\$ 2,076,530
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Balance sheet - governmental funds.	<u>1,667,488</u>
Total net assets of governmental activities	<u>\$ 3,744,018</u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GOVERNMENTAL FUNDS**

**Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 2007**

	GENERAL FUND	TOTALS (Memorandum Only) 2006
REVENUES		
Ad valorem taxes	\$ 1,103,389	\$ 1,062,181
Intergovernmental revenues:		
State grant	32,440	13,437
State revenue sharing (net)	35,387	34,384
Interest earnings	46,755	42,716
Other revenues:		
Fees & charges for services	5,158	5,217
Fines & lost book collections	3,156	3,069
Gifts, donations, misc revenue	1,038	654
Total revenues	<u>1,227,323</u>	<u>1,161,658</u>
EXPENDITURES		
Salaries and related benefits	551,260	509,790
Legal & accounting	8,750	9,225
Insurance	17,546	16,119
Material and supplies	61,406	53,162
Repairs & maintenance	108,813	74,252
Utilities and communications	53,181	54,642
Capital outlay	266,577	248,734
Intergovernmental	46,268	45,650
Other operating services	87,932	43,139
Total expenditures	<u>1,201,733</u>	<u>1,054,712</u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GOVERNMENTAL FUNDS**

**Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 2007**

	GENERAL FUND	TOTALS (Memorandum Only) 2006
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>25,590</u>	<u>106,946</u>
OTHER FINANCING SOURCES (USES)		
Sale of fixed assets	<u>0</u>	<u>600</u>
Total other financing sources (uses)	<u>0</u>	<u>600</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>25,590</u>	<u>107,546</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>2,050,940</u>	<u>1,943,395</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 2,076,530</u></u>	<u><u>\$ 2,050,940</u></u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities**

For the Year Ended December 31, 2007

Net change in fund balances - total governmental funds	\$ 25,590
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount which depreciation exceeded capital outlays in the current period.

Depreciation expense	(239,225)
Capital outlays	266,577

Governmental funds report the proceeds from the sale of capital assets as revenues. However, in the statement of activities only gains or losses are reported:

Gain (loss) on the disposal of capital assets	<u>(1,069)</u>
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Change in net assets of governmental activities	<u><u>\$ 51,873</u></u>
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The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and For the Year Ended December 31, 2007**

INTRODUCTION

The Pointe Coupee Parish Library, New Roads, Louisiana was established by the parish governing authority, under the provisions of Louisiana Revised Statute 25:211. Louisiana Revised Statute 25:214 provides for public governance through a library board of control. The Pointe Coupee Parish Police Jury appoints the board of control, which consists of seven non-compensated board members. The mission of the Pointe Coupee Parish Library is to provide resources and services to fulfill individual informational needs for day-to-day living and pleasure, and for cultural, educational, and leisurely pursuits. The library serves the entire parish of Pointe Coupee, consisting roughly of 22,763 residents. The library employs approximately 12 workers located at their main branch in New Roads and outlying branches in Morganza, Innis, Livonia, and Rougon, Louisiana.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Pointe Coupee Parish Library have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements- and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

The library does not possess all the corporate powers necessary to make it a legally separate entity from the Pointe Coupee Parish Police Jury, which holds the library's corporate powers. For this reason, the library is a component unit of the Pointe Coupee Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the library and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The library uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain library functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all or most of the library's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the library. The following are the library's governmental funds:

General Fund – the primary operating fund of the library and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to library policy.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the library as a whole. These statements include all the financial activities of the library. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues – Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the library's general revenues.

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the library's operations (See the reconciliation statements).

The amounts reflected in the General Fund in the FFS use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The library considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues –

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. Taxes are generally collected in December of the current year and January and February of the following year.

Where grant revenue is dependent upon expenditures by the Library, revenue is recognized when the related expenditures are incurred.

Interest income on time deposits (certificates of deposits) is recorded when earned.

Substantially all other revenues are recorded when received.

Expenditures –

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except for accumulated vacation leave, which is not accrued.

Other Financing Sources (Uses)

The sale of fixed assets as well as transfers between funds, which are not expected to be repaid, are accounted for as other financing sources (uses) and are recorded when incurred.

E. BUDGETS

The library adopts an annual appropriated budget for the General Fund. All annual appropriations lapse at fiscal year-end. The budget is prepared based on the modified accrual basis of accounting and is presented and adopted by the Board of Control. The proposed budget was published and made available for public inspection on October 26, 2006, in accordance with RS39:1306. The public hearing was held at the library's main office in New Roads, La. on November 8, 2006 at which time the Board of Control formally adopted it. The Board of Control has the authority to make changes or amendments within various budget classifications. The current year's budget was amended as reflected in the budgetary comparison schedule.

F. ENCUMBRANCES

The library does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the library may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the library's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

GASB Statement No. 31 allows the library to report at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short term, highly liquid debt instruments that include U.S. Treasury obligations. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts. Investments listed in the balance sheet are stated at cost.

I. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated historical cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The library maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Land Improvements	20 years
Buildings & Improvements	10 – 40 years
Equipment & furniture	5 years
Vehicles	5 – 10 years
Library collection	5 – 7 years

J. BAD DEBTS

Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable.

K. COMPENSATED ABSENCES

The library has the following policy relating to vacation and sick leave:

The Library Director earns the following vacation:

<u>Years of Service</u>	<u>Vacation</u>
1 year	10 days per year
2 years	15 days per year
3 or more years	20 days per year

Full-time Professional staff earns the following vacation:

<u>Years of Service</u>	<u>Vacation</u>
1 year	10 days per year payable after six months
Each succeeding year of service after 10 years	10 days plus one additional day per year up to 20 days

Full-time library employees earn the following vacation:

<u>Years of Service</u>	<u>Vacation</u>
1 - 10	10 days per year
11 or more	15 days per year

Employees may not accumulate vacation time. Vacation time should be used during the calendar year in which it is granted. If this is impossible or creates an undue hardship on the employee or the library, the Director may grant permission to use the unused vacation in the first quarter of the next year. Any unused vacation is forfeited after this fifteen-month period. Any employee resigning or retiring will be paid for any unused vacation, which was granted in that same calendar year. Part-time employees earn a proportionate share of vacation based on time worked per month. The liability for compensated absences at December 31, 2007 was \$0.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

All full-time employees earn 12 days of sick leave and 3 days of emergency leave per year after six months of continuous service. Sick leave may be accumulated up to a maximum of 90 days for retirement purposes only. Emergency leave does not accumulate. Employees are not compensated for accrued sick leave upon retirement or termination of employment.

L. RESTRICTED NET ASSETS

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

- 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- 2) imposed by law through constitutional provisions or enabling legislation.

M. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

N. USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had actual expenditures over budgeted appropriations for the year ended December 31, 2007:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
None				

3. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	<u>Maximum Millage</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>
Library Maintenance Tax	4.03	4.03	4.03

The following are the principal taxpayers for the parish:

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Valuation</u>	<u>Ad Valorem Tax Revenue for Library</u>
LA Generating	Electric	\$ 102,240,330	32.80%	\$ 412,029
Entergy Gulf States	Electric	24,000,850	7.70%	96,723
BP America	Oil & Gas	17,982,200	5.77%	72,468
Union Pacific Corp	Railroad	5,706,235	1.83%	22,996
Pennington	Oil & Gas	4,353,730	1.40%	17,546
Transcontinental	Pipeline	4,351,940	1.40%	17,538
Colonial	Pipeline	<u>3,739,630</u>	<u>1.20%</u>	<u>15,071</u>
Total		<u>\$ 162,374,915</u>	<u>52.10%</u>	<u>\$ 654,371</u>

4. DEPOSITS AND INVESTMENTS

A. Cash and Cash Equivalents

Cash and Cash equivalents include bank accounts and short-term investments. See Note 1(G) for additional cash disclosure note information.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure the Library's deposits may not be returned. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized, or (b) uninsured and collateralized with securities held by the pledging financial institution or its trust department/agent but not in the name of the Library. The Library's cash and investment policy, as well as state law, require that deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank. The following chart represents bank balances for the Library as of December 31, 2007. Deposits are listed in terms of whether they are exposed to custodial credit risk.

Bank Balances				
	<u>Uninsured & Uncollateralized</u>	<u>Uninsured & collateralized With securities held by Pledging Institution or it's Trust Department/Agent But not in the Entity's Name</u>	<u>Total Bank Balances - All Deposits</u>	<u>Total Carrying Value - All Deposits</u>
Cash and Cash Equivalents	\$ -	\$ -	\$ 512,360	\$ 489,865

Total bank balances and total carrying amount of deposits does not include petty cash in the amount of \$200 on hand at year end.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

B. Investments

Investments are stated at fair value. See also Note 1 (H) for additional investment disclosure information.

Credit Risk - Investments

Investments permitted by state statute include obligations issued, insured or guaranteed by the U.S. government including certificates or other ownership interest in such obligations and/or investments in registered mutual or trust funds consisting solely of U.S. government securities. The Library's investment program is limited to purchases of bank certificate of deposits, U.S. treasury and government agency obligations as well as investments in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a nonprofit corporation formed by an initiative of the State Treasurer, and organized under the laws of the State of Louisiana which operates a local government investment pool. It is the Library's opinion that since these securities are governmental agencies, credit risk is not a factor.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the Library will not be able to recover the value of the investment. Investments are exposed to custodial risk if the securities are (a) uninsured and unregistered and held by the counterparty or (b) uninsured, unregistered and held by the counterparty's trust department or agent but not in the name of the Library. The following chart presents the investment position of the Library as of December 31, 2007. The various types of investments are listed and presented by whether they are exposed to custodial credit risk.

	<u>Investments</u>			
	Uninsured, Unregistered, and Held by the Counterparty	Uninsured, Unregistered & Held by the Counterparty's Trust Department or Agent But not in the Entity's Name	All Investments - Reported Amount	All Investments - Fair Value
Certificates of Deposit	-	-	\$ 599,450	\$ 599,450
Total	\$ -	\$ -	\$ 599,450	\$ 599,450

Interest Rate Risk - Investments

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The Library's investment policy with regards to interest rate risk is to match cash flow requirements with cash flows from investments. This matching allows for securities to be held to maturity thereby avoiding realizing losses due to liquidation of securities prior to maturity, especially in a rising interest rate environment. Investing in longer term maturities that contain a "step up" in coupon interest rates will also contribute to the reduction of interest rate risk. Investments classified by maturity dates at December 31, 2007 are summarized below:

<u>Investment</u>	<u>Fair Value</u>	<u>0-1 Years Before Maturity</u>	<u>1-5 Years Before Maturity</u>	<u>6+ Years Before Maturity</u>
Certificates of Deposit	\$ 599,450	\$ 483,611	\$ 115,839	-
Total	\$ 599,450	\$ 483,611	\$ 115,839	-

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

5. RECEIVABLES

The following is a summary of receivables at December 31, 2007:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Total</u>
Ad valorem taxes	\$ 1,053,799	\$ 1,053,799
State Revenue Sharing	12,406	12,406
Accrued Interest Receivable	<u>10,393</u>	<u>10,393</u>
Totals	<u>\$ 1,076,598</u>	<u>\$ 1,076,598</u>

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2007 are as follows:

	<u>Land, Bldgs & Improvements</u>	<u>Library Collection</u>	<u>Furniture & Equipment</u>	<u>Automobiles</u>	<u>Total</u>
Cost of capital assets, December 31, 2006	\$ 1,317,577	\$ 2,041,155	\$ 409,206	\$ 25,169	\$ 3,793,107
Additions	10,456	244,230	11,892	-0-	266,578
Deletions	<u>-0-</u>	<u>(6,538)</u>	<u>(5,905)</u>	<u>-0-</u>	<u>(12,443)</u>
Cost of capital assets, December 31, 2007	<u>1,328,033</u>	<u>2,278,847</u>	<u>415,193</u>	<u>25,169</u>	<u>4,047,242</u>
Accumulated depreciation, December 31, 2006	368,416	1,512,611	267,520	3,356	2,151,903
Additions	32,719	156,979	44,493	5,034	239,225
Deletions	<u>-0-</u>	<u>(6,538)</u>	<u>(4,836)</u>	<u>-0-</u>	<u>(11,374)</u>
Accumulated depreciation, December 31, 2007	<u>401,135</u>	<u>1,663,052</u>	<u>307,177</u>	<u>8,390</u>	<u>2,379,754</u>
Capital assets net of accumulated Depreciation, at December 31, 2007	<u>\$ 926,898</u>	<u>\$ 615,795</u>	<u>\$ 108,016</u>	<u>\$ 16,779</u>	<u>\$ 1,667,488</u>

Depreciation expense of \$239,225 for the year ended December 31, 2007, was charged to the general fund governmental function.

The Pointe Coupee Parish Library has not capitalized a certain collection (The Claiborne Collection) and a historical treasure (Mardi Gras Costume) due to the fact that they are held for public exhibition rather than financial gain, they are protected, cared for, and preserved, and that it is the policy of the library that, if they are ever sold, proceeds from the sale must be used to acquire other items for collections.

7. PENSION PLAN

Plan Description. Substantially all employees of the Pointe Coupee Parish Library are members of the Parochial Employees'

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the library are members of Plan A.

All full time employees working at least 28 hours per week whom are paid wholly or in part from Parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who are members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Library is required to contribute at an actuarially determined rate. The current rate is 13.25 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Library are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Library's contributions to the System under Plan A for the years ending December 31, 2007, 2006, and 2005 were \$43,683, \$39,820, and \$36,168, respectively, equal to the required contributions for each year.

8. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$89,583 as of December 31, 2007, are as follows:

	<u>General Fund</u>	<u>Total</u>
Withholdings	\$ 89	\$ 89
Accounts	43,226	43,226
Other	<u>46,268</u>	<u>46,268</u>
	<u>\$ 89,583</u>	<u>\$ 89,583</u>

9. LITIGATION

There is no litigation pending against the library. There were no claims or litigation costs incurred for the year ended December 31, 2007.

10. RISK MANAGEMENT

The Pointe Coupee Parish Library is exposed to various risks of loss including injuries to workers, criminal or property damage, theft and other possible related claims. The library purchases commercial insurance to minimize this risk of loss from these types of occurrences. There were no significant reductions in insurance coverage from the prior year.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

11. COMPENSATION PAID TO BOARD MEMBERS

No compensation was paid to board members during the year ended December 31, 2007. The following is a list of board members and term expiration dates:

<u>Board Member</u>	<u>Term Expires</u>
Lauren Meadows	December 2007
Karen McLemore	December 2008
Ruth Major	December 2009
Grace Hebert	December 2009
Wylene Hurst	December 2010
Geraldine Martin	December 2011
Gayle Dixon	December 2011

REQUIRED SUPPLEMENTARY INFORMATION

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2007**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Ad valorem taxes	\$ 1,067,803	\$ 1,033,000	\$ 1,103,389	\$ 70,389
Intergovernmental revenues:				
State grants	13,000	27,761	32,440	4,679
Federal grants	0	0	0	0
State revenue sharing	33,000	33,000	35,387	2,387
Interest earnings	30,000	28,000	46,755	18,755
Other revenues:				
Local Grants	0	0	0	0
Fees & charges for services	4,000	4,000	5,158	1,158
Fines & lost book collections	2,500	2,500	3,156	656
Gifts, donations, misc revenue	500	500	1,038	538
Total revenues	<u>1,150,803</u>	<u>1,128,761</u>	<u>1,227,323</u>	<u>98,562</u>
EXPENDITURES				
Salaries and related benefits	654,971	654,971	551,260	103,711
Legal & accounting	10,000	10,000	8,750	1,250
Insurance	18,500	18,500	17,546	954
Material and supplies	47,750	60,225	61,406	(1,181)
Repairs & maintenance	79,450	99,450	108,813	(9,363)
Utilities and communications	112,400	115,450	53,181	62,269
Capital outlay	207,100	299,000	266,577	32,423
Intergovernmental	42,000	42,000	46,268	(4,268)
Other operating services	57,600	82,950	87,932	(4,982)
Total expenditures	<u>1,229,771</u>	<u>1,382,546</u>	<u>1,201,733</u>	<u>180,813</u>

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2007**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(78,968)	(253,785)	25,590	279,375
OTHER FINANCING SOURCES (USES)				
Sale of fixed assets	0	0	0	0
Operating transfers in	0	0	0	0
Operating transfers out	0	0	0	0
Total other financing sources (uses)	0	0	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(78,968)	(253,785)	25,590	279,375
FUND BALANCE AT BEGINNING OF YEAR	78,968	253,785	2,050,940	1,797,156
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	\$ 2,076,530	\$ 2,076,530

SUPPLEMENTAL INFORMATION

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE
Schedule of Expenditures
For the Year Ended December 31, 2007**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Salaries and related benefits -				
Salaries and wages	\$ 473,072	\$ 473,072	\$ 420,435	\$ 52,637
Employee benefits:				
Retirement contributions	60,317	60,317	43,633	16,684
Group insurance	110,420	110,420	75,147	35,273
Payroll taxes	11,162	11,162	11,945	(783)
Total salaries & related benefits	\$ 654,971	\$ 654,971	\$ 551,230	\$ 103,741
Materials and supplies -				
Printing & binding	\$ 4,500	\$ 1,500	\$ 1,597	\$ (97)
Rentals - other	13,500	13,500	11,563	1,937
Materials & supplies	29,750	45,225	48,246	(3,021)
Library materials - serials, etc	0	0	0	0
Total materials & supplies	\$ 47,750	\$ 60,225	\$ 61,406	\$ (1,181)
Operating services -				
Legal and accounting	\$ 10,000	\$ 10,000	\$ 8,750	\$ 1,250
Insurance	18,500	18,500	17,546	954
Repairs and maintenance	79,450	99,450	108,813	(9,363)
Utilities and telephone	112,400	115,450	53,181	62,269
Travel, dues, other prof services	57,600	82,950	87,932	(4,982)
Intergovernmental	42,000	42,000	46,268	(4,268)
Total operating services	\$ 319,950	\$ 368,350	\$ 322,490	\$ 45,860
Capital outlay -				
Acquisition of building, fixtures, & equip	\$ 0	\$ 34,500	\$ 22,348	\$ 12,152
Books, etc.	186,100	238,500	214,831	23,669
Audio & visuals	21,000	26,000	29,398	(3,398)
Total capital outlay	\$ 207,100	\$ 299,000	\$ 266,577	\$ 32,423

MAJOR, MORRISON & DAVID
CERTIFIED PUBLIC ACCOUNTANTS

JOHN L. MORRISON III, CPA, PC
MARK A. DAVID, CPA, PC

VAN P. MAJOR, CPA (1951-2005)

MEMBERS:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Control
Pointe Coupee Parish Library
New Roads, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Pointe Coupee Parish Library, New Roads, Louisiana, a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2007, which collectively comprise the Library's basic financial statements and have issued our report thereon dated May 23, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pointe Coupee Parish Library's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Library's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Library's financial statements that is more than inconsequential will not be prevented or detected by the Library's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses as item 07-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Library's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pointe Coupee Parish Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Library in a separate letter dated May 23, 2008.

The Library's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Library's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the Board of Control, the Pointe Coupee Parish Police Jury (oversight entity), Pointe Coupee Parish Library's management, and the Legislative Auditor for the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Major, Morrison & David
New Roads, Louisiana
May 23, 2008

Major, Morrison & David

POINTE COUPEE PARISH LIBRARY
New Roads, Louisiana
SCHEDULE OF FINDINGS AND RESPONSES
As of and for the Year Ended December 31, 2007

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness (es) identified? Yes X No

Control deficiency (s) identified not
considered to be material weaknesses? X Yes None reported

Noncompliance material to financial statements
noted? Yes X No

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 07-1

Condition: As is common in small organizations, the library does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including related notes. As such management has chosen to engage the auditor to prepare the annual financial statements. This condition is intentional by management based upon the library's limited administrative personnel, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with GAAP. Based on this decision, internal controls over the preparation of the financial statements, including the notes, in accordance with GAAP have not been established. Under generally accepted auditing standards, this represents a significant deficiency in internal controls.

Statement on Auditing Standards (SAS) No. 112 requires that we report the above condition as a control deficiency. SAS 112 does not provide for exceptions to reporting deficiencies that are resolved with non-audit services performed by the auditor or deficiencies for which the costs to make it impractical to correct.

Recommendation: As discussed above, whether it is cost effective to correct a control deficiency is not a determining factor in applying SAS 112 reporting requirements. The library has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the office to outsource this task to its independent auditors, and carefully review the draft financial statements and notes prior to approving them and accepting responsibility for the contents and presentation.

Management's Response: Management has agreed with the auditor's finding and recommendation.

POINTE COUPEE PARISH LIBRARY
New Roads, Louisiana

Summary Schedule of Prior Audit Findings
For The Year Ended December 31, 2007

<u>Ref No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
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Section I – Internal Control and Compliance Material to the Financial Statements:

There were no prior year audit findings.

Section II – Internal Control and Compliance Material to Federal Awards:

Not applicable.

Section III – Management Letter:

No management letter was issued.

**POINTE COUPEE PARISH LIBRARY
New Roads, Louisiana**

**Corrective Action Plan for
Current Year Audit Findings
For The Year Ended December 31, 2007**

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion</u>
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Section I -- Internal Control and Compliance Material to the Financial Statements:

07-1	The library does not have a staff person who has qualifications & training to apply GAAP in preparing the entity's financial statements.	The library has evaluated cost vs. benefit of establishing controls over preparing the financial statements in accordance with GAAP & determined that it is best to have the auditor prepare the financial statements and notes & review drafts before approving the reports for issuance.	Melissa Hymel Aline Hebert	Ongoing
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Section II -- Internal Control and Compliance Material to Federal Awards:

Not applicable.

Section III -- Management Letter:

We commented on the lack of personnel needed to prepare financial statements in accordance with GAAP and the need to improve documentation on credit card purchases.

MAJOR, MORRISON & DAVID
CERTIFIED PUBLIC ACCOUNTANTS

JOHN L. MORRISON III, CPA, PC
MARK A. DAVID, CPA, PC

VAN P. MAJOR, CPA (1951-2005)

MEMBERS:
· AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Board of Control
Pointe Coupee Parish Library
New Roads, Louisiana 70760

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the Pointe Coupee Parish Library as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Library's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the governmental unit's internal control. Accordingly, we do not express an opinion on the effectiveness of the governmental unit's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control.

Item 07-1: The Library's office does not have a staff person who has the qualifications and training to apply generally accepted accounting principles in preparing its financial statements, including related notes.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the deficiency referred to in the preceding paragraph does not constitute a material weakness.

In addition to the findings and comments noted in the reports as identified above which constitute control deficiencies, we wish to communicate the following comments and recommendations to the Library and management:

According to the Louisiana Legislative Auditor's best practices in government, sufficient supporting documentation should be maintained on all purchases when the use of a credit card is allowed by a governmental entity. Upon performing tests of the library's expenditures, we noted that some but not all charges identified on the credit card statements had sufficient supporting documentation. Sufficient documentation includes not only the credit card statement, but the charge tickets, vendor invoices, retail receipts, etc. detailing the individual items purchased. Although notation was made identifying what the specific charge was, what library program it was used in, where it was purchased, and included some supporting invoices and tickets, we feel that steps could be taken to improve the documentation support on all credit card purchases. Upon discussion with the library's management and referencing the best practices

in government checklist issued by the Legislative Auditor, it was determined that this process will be incorporated into the financial control procedures to be followed by all personnel effective immediately.

This communication is intended solely for the information and use of the Library, management, the Legislative Auditor for the state of Louisiana, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Major, Morrison & David

Major, Morrison & David
New Roads, Louisiana
May 23, 2008